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1 Director’s report

1.1 Activities and results

Rabo Covered Bond Company 2 B.V. (“the Company”) was incorporated on April 25, 2019.

The main objective of the Company is to provide security for the Company's obligations under the Retained Covered Bond Programme Rabobank (“the Retained Covered Bond Programme”). Intertrust Management B.V. is the statutory managing director of the Company. The Company has no staff.

The Company guarantees, under the Trust Deed, the payment of interest and principal payable under the Retained Covered Bonds issued by Coöperatieve Rabobank U.A. (“Rabobank” or “the Issuer”). As consideration for the Company to meet its obligation under the issued guarantee, Rabobank transferred eligible assets to the Company. Rabobank transferred eligible mortgage loans to the Company through a silent assignment (stille cessie). Meaning that until the occurrence of an Assignment Notification Event, the Asset Cover test has been breached or a Notice to pay / CBC Acceleration Notice have been served (“the Events”), Rabobank is entitled to all proceeds in relation to the transferred eligible assets. If one or more of the previously mentioned events occurs or notice(s) have been served the Company will be entitled to receive all proceeds in relation to the transferred assets, in order to fulfil its obligation under the issued guarantee; payment of interest and principal on the Retained Covered Bonds.

The Company, but also Obvion N.V. In that case everywhere Rabobank is mentioned as originator of the transferred assets, Obvion will be added in statement.

Rabobank may issue, under the Retained Covered Bond Programme, various series of Retained Covered Bonds with a total notional amount of EUR 45,000 million. All Retained Covered Bonds will be purchased by the Rabobank itself to create ECB eligible collateral.

- In September 2019 Rabobank issued under this programme their first series of Retained Covered Bonds ("the Bonds") in a total value of EUR 5,001 million. All Bonds of these first series were still outstanding as per December 31, 2019.
- In November 2019 Rabobank issued a new Bond-serie with a total value of EUR 5,000 million which brings the total value of the Bonds to EUR 10,001 million as per December 31, 2019.

In order for the Company to issue the related guarantee Rabobank transferred on August 21, 2019, through a silent assignment, assets - mortgage loans – in a net amount of EUR 5,691 million. In November 2019 the Company transferred mortgage loans with a net value of EUR 5,009 million. As per December 31, 2019 the net outstanding nominal amount of the transferred mortgage loans was EUR 10,700 million.

The Bonds were at issuance rated Aaa by Moody’s. The rating of the Bonds issued has not been amended since the issuance.

Since the issuance of the series of Bonds neither an Assignment Notification Event, nor a breach of the Asset Cover Test has occurred nor has a Notice to pay or a CBC Acceleration Notice been served.

The Trust Deed entered into by the Company, Rabobank and Stichting Security Trustee Rabo Covered Bond Company 2 states that all cost and expenses of the Company and all cash flows from swaps of the Company will be received and paid on behalf of the Company by Rabobank for its own account. As a result, all amounts remaining in the Company will flow back periodically to Rabobank. Cash transactions at the Company are limited to bank interest received and bank interest charged through to Rabobank and the Company will not have the right to any of the proceeds.

In our opinion, the financial statements give a true and fair view of the assets, liabilities, financial position and statement of income of the Company and the director’s report includes a fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks that the Company faces. In accordance with the accounting policies described in the notes to the financial statements. These until one or more of the Events have occurred.
1.2 Financial risk management

The Company has, under the Trust Deed, guaranteed the payment of interest and principal payable under the Retained Covered Bonds issued by Rabobank. As a consequence, the Company will then, amongst others, run interest rate risks on both the Retained Covered Bonds and the mortgage portfolio. The risk appetite of the Company is low and matches the risk-profile of the Company. Various measurements have been taken to mitigate the risks for the Company. The main risks are various financial risks which will be dealt with separately. Risks and corresponding uncertainties resulting from the outbreak of Covid-19 are outlined in paragraph 1.3 and 1.5.

Interest rate risk

In order to limit the potential interest rate risks the Company may, if deemed necessary, enter into swap agreement in order to mitigate the interest rate risk. In 2019 no swap agreement has been entered into by the Company. This given the fact that the fixed interest rate on the Bonds, of 0.125% weighted average, is less than the average interest rate of all transferred receivables.

Furthermore, the notional amount outstanding of all transferred eligible mortgage receivables should at least be 105% of the notional amount outstanding of all bonds. This is a regulatory requirement. At the balance sheet date the notional amount outstanding of the transferred eligible mortgage receivables was 106.99%

Credit risk

The Company has no exposure to credit risk, which is the risk that the borrowers will be unable to pay amounts in full when due, unless the guarantee is invoked. When the guarantee is invoked all risks associated with the mortgage portfolio are transferred to the Company. Until that moment all risks and rewards associated with the assets are retained by Rabobank or Obvion and the transferred Mortgage Loans are not recognised at the balance sheet of the Company.

Limited recourse

Although interest rate risk and credit risk are recognized the exposure to the Company is limited. The Retained Covered Bonds are issued at limited recourse. If a CBC Event of Default occurs and the Security is enforced, the proceeds may not be sufficient to meet the claims of all the Secured Creditors, including the Retained Covered Bondholders. If, following enforcement of the Security, the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, the Secured Creditors will no longer have a claim against the CBC after enforcement of the Security. The Secured Creditors may still have an unsecured claim against the Issuer for the shortfall.

1.3 Post balance sheet events

In first few months of 2020 up to the date of these financial statements Rabobank issued one additional serie of Bonds for a total nominal value of EUR 5,000 million resulting in a total outstanding amount of EUR 15,001 million as per March 31, 2020. In order for the Company to issue the related guarantee Rabobank transferred through silent assignment additional assets - mortgage loans - resulting in a total net amount outstanding as per March 31, 2020 of EUR 16,000 million. Management is not aware of any further events that took place after balance sheet date that could have a major effect on the financial position of the Company.

The COVID-19 crisis is not expected to create uncertainty about the company’s ability to continue operating, and to date we have not experienced a significant impact from COVID-19. The outbreak of COVID-19 will have some impact, but we do not expect any major consequences, in terms of future performance, asset valuation, or activities of the company in general. There may arise two main risks for the company, which we expect to mitigate. First, Rabobank is offering a payment holiday for customers with temporary payment problems. New repayment schedules will be agreed with the client, in order to prevent these clients from being in arrears. This will potentially decrease the amount
of eligible assets if clients are not able to meet the new agreed repayment schedule after the payment holiday period ends and will end-up in arrears. However, the Company has enough assets in place to substitute these assets. Second, a possible drop in house prices, as a consequence of the COVID-19 crisis, can lead to an increase in the ratio of loans to the value of the underlying assets. The company can mitigate this risk by over-collateralization, adding additional collateral to the pool. At this time, however, it is difficult to say whether house prices will actually fall in the near future. The economic damage caused by the corona virus and thus the potential impact on the housing market strongly depends on the duration of the restrictions and the effectiveness of the financial support measures provided by government and banks.

1.4 Result for the year

The net result for the year under review is EUR 8,100.

1.5 Future outlook

The Dutch residential mortgage debt stock is relatively sizeable, especially compared to other European countries. Since the 1990s, the mortgage debt stock of Dutch households has grown considerably, mainly on the back of mortgage lending on the basis of two incomes in a household, the introduction of tax-efficient product structures, such as mortgage loans with deferred principal repayment vehicles and interest-only mortgage loans, financial deregulation and increased competition among originators. The Mortgage loan portfolio decreased slightly due to the high level of repayments. The persisting low interest rate on savings continued to encourage clients to make extra repayments on their loans. Rabobank’s share of the Dutch mortgage market increased to 21.4% (2018: 20.2%) of new mortgage production in the first half of 2019 The local Rabobanks’ market share dropped to 16.1% (2018: 16.6%) and Obvion’s increased to 5.3% (2018: 3.6%). The quality of Rabobank’s residential mortgage loan portfolio remained high thanks to the continuing favorable conditions of the Dutch economy and the strong domestic housing market. In the first half of 2019, financing backed by the National Mortgage Guarantee (Nationale Hypotheek Garantie (NHG)) remained relatively stable, at 19.1% of the mortgage loan portfolio. The weighted average indexed loan-to-value (LTV) of the mortgage loan portfolio was 61% at June 30, 2019. Improved asset quality helped keep impairment charges on financial assets low.

Thanks to a recovery in the third quarter of 2019, the number of house sales is only slightly lower than in 2018. In 2019 as a whole, the number of sales reached 215,000 homes, 1.4 percent less than in 2018, when 218,000 owner-occupied homes changed hands. For the first time in eighteen months, the downward trend in sale numbers has been broken. Around 59,000 existing owner-occupied homes were sold in the third quarter, 3.5 percent more than in the same period of 2018. This is partly caused by lower unemployment rates and more people in the Netherlands in regular employment. Furthermore, mortgage interest rates have fallen significantly since the spring, which allows homebuyers to borrow more and offer more for a house. Due to these lower mortgage interest rates and the persistent housing shortage, house price rises are not levelling off as fast as expected. Homes will be on average 6.7 percent more expensive this year than in 2018. The large shortage of houses is an important reason why house prices in the Netherlands have risen so sharply. With construction of newly-built houses lagging behind, there were around 294,000 houses in the Netherlands too few to meet the housing needs.

Prior to the COVID-19 crisis it was expected that the number of sales would fall this year, while prices would rise quite quickly by about 5.5 percent. This forecast was based on macroeconomic estimates at the end of 2019, in which it was assumed, among other things, economic growth and rising household incomes in 2020. It is now clear that the corona crisis intersects earlier predictions for the Dutch economy and housing market. Current measures to control the spread of the virus make it more difficult to view houses. In addition the crisis creates uncertainty about work and income, which makes potential buyers more reticent. These effects can, at least temporarily, lead to less sales and to less upward price pressure. Since the main impact of COVID-19 is expected at the earliest during the summer, the average house price in 2020 is likely to be even higher than in 2019. At this time, however, it is difficult to say what the impact of the crisis will be. The economic damage caused by the corona virus and thus the potential impact on the housing market strongly depends on the duration
of the restrictions and the effectiveness of the financial support measures provided by government and banks. To date we have not experienced a significant impact from COVID-19.

In the light of the risk factors facing the Company, as described above, the economic developments over the past year or so and future outlook are generally considered positive for the Company. Management believes that the Company’s risks are adequately mitigated by the various credit enhancements, as described in the Financial statements and the Prospectus. Moreover, the Company’s obligations to Noteholders are of limited recourse (see above). As a consequence, no noticeable changes in the current position of the Company are expected for the next 12 months.

Amsterdam, 1 May 2020.

Managing director,
Intertrust Management B.V.
2 Financial statements

2.1 Balance sheet as at December 31, 2019 (before appropriation of result)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Notes</th>
<th>31-12-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables and prepayments 2.5.1</td>
<td>44,128</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents 2.5.2</td>
<td>-</td>
<td>44,128</td>
</tr>
<tr>
<td>total Assets</td>
<td></td>
<td>44,128</td>
</tr>
</tbody>
</table>

| SHAREHOLDERS EQUITY AND LIABILITIES |       |
| Shareholders Equity 2.5.3 | |
| Share capital | 1 |
| Other reserves | - |
| Result current period | 8,100 | 8,101 |

| Current liabilities |       |
| Cash and cash equivalents 2.5.2 | 1 |
| tax liabilities 2.5.5 | 1,900 |
| Accrued expenses and other liabilities 2.5.4 | 34,126 | 36,027 |
| total | 44,128 |
2.2 Profit and loss for the period April 25, 2019 to December 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>April 25, 2019 – December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Income</td>
<td>2.5.7</td>
<td>45,387</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2.5.8</td>
<td>35,387</td>
</tr>
<tr>
<td>Interest Income</td>
<td>2.5.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>Corporate income tax</td>
<td>2.5.5</td>
<td>1,900</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td></td>
<td>8,100</td>
</tr>
</tbody>
</table>
## 2.3 Statement of cash flows 2019

### Notes 31-12-2019

<table>
<thead>
<tr>
<th>Cash flow from operating activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net result</td>
<td>8,100</td>
</tr>
</tbody>
</table>

**Changes in working capital**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net change in accounts receivable</td>
<td>(44,128)</td>
</tr>
<tr>
<td>Net change in current liabilities</td>
<td>36,027</td>
</tr>
</tbody>
</table>

**Net cash flow from operating activities**

| net change long term liability | - |
| Interest paid/received | - |
| Share capital | - |
| Paid dividend | - |

| Net cash flow from operating activities | (8,101) |

**Net cash flow from financing activities**

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
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</table>

**Net cash flow from investment activities**

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
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</tbody>
</table>

**Net Cash flow**

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
</tr>
</tbody>
</table>

**Movements in Cash and Cash Equivalents**

| Cash balance as at incorporation | - |
| Cash balance 31 December 2019 | - |
2.4 General notes to the financial statements

2.4.1 General information

Rabo Covered Bond Company 2 B.V. ("the Company") was incorporated on April 25, 2019. The registered office of the Company is at Prins Bernhardplein 200 Amsterdam, the Netherlands.

The objectives of the Company are:

a. to obtain, to hold in possession, to dispose of, to encumber and otherwise manage goods, including but not limited to claims on private persons, enterprises and authorities, whether embodied in value papers, as well as to exercise the rights attached to such claims;

b. to raise funds through, inter alia, borrowing under loan agreements, the use of financial derivatives or otherwise and to invest and put out funds obtained by the Company in, inter alia, (interest in) loans, bonds, debt instruments and other evidences acquire, purchase, conduct the management of indebtedness, shares, warrants and other similar securities and also financial derivatives

c. to grant guarantees and security for the obligations and debts of the Company and of third parties, including cooperative with excluded liability (coöperatie met uitgesloten aansprakelijkheid): Coöperatieve Rabobank U.A., having its seat (statutaire zetel) in Amsterdam, The Netherlands, and registered with the Dutch Commercial Register (Handelsregister) under number 30046259 ("the Cooperative");

d. to enter into agreements, including, but not limited to, financial derivatives such as interest and/or currency exchange agreements in connection with the objects mentioned under (a), (b) and (c) of this article;

e. to enter into agreements, including, but not limited to, bank, securities and cash administration agreements creating security in connection with the objects mentioned under (a), (b), (c) and (d) above,

everything in connection with the Retained Covered Bond Programme Rabobank (of which the programme limit or other conditions may be amended from time to time), which is or will be established by the Cooperative.

The Stichting Holding Rabo Covered Bond Company 2 ("the Foundation") holds all shares of the Company. Stichting Holding Rabo Covered Bond Company 2 is a foundation incorporated under the laws of the Netherlands on April 24, 2019. The registered office of the Foundation is in Amsterdam, the Netherlands. The objectives of the Foundation are to incorporate, manage and control the shares of the Company and to exercise all rights attached to such shares, in such manner as to safeguard the interest of the Company, and any and all persons concerned to the best of its ability, including the voting rights to the shares in the Company and to perform any and all acts which are related, incidental or which may be conducive to the above. The sole director of the Foundation is Intertrust Management B.V.

The Stichting Security Trustee Rabo Covered Bond Trustee 2 was incorporated under the laws of the Netherlands on April 24, 2019. The registered office of the Trustee is in Amsterdam, the Netherlands. The main objective of the Trustee is to act as agent and/or trustee for and on behalf of the holders of the bonds to be issued by the Cooperative as well as for and on behalf of (other) creditors of the public company of the Cooperative, in relation to the Retained Covered Bond programme Rabobank. The sole director of the Trustee is Amsterdamsch Trustee's Kantoor B.V.
2.4.2 Structure of the transaction and related parties

In the diagram below the structure of the transaction and the related parties are shown:

The objective of the Retained Covered Bond Programme Rabobank is to create ECB eligible collateral for contingency purposes and for potential monetary policy operations (E.G. TLTRO). The Retained Covered Bonds issued by Rabobank are secured by a portfolio of mortgage loans.

The Company guarantees, under the Trust Deed, the payment of interest and principal payable under the Retained Covered Bonds issued by Coöperatieve Rabobank U.A. ("Rabobank" or "the Issuer"). As consideration for the Company to meet its obligation under the issued guarantee, Rabobank will transfer eligible assets to the Company. Rabobank transferred eligible mortgage loans to the company through a silent assignment (stille cession). Meaning that until the occurrence of an Assignment Notification Event, the Asset Cover test has been breached or a Notice to pay / CBC Acceleration Notice have been served ("the Events"), Rabobank is entitled to all proceeds in relation to the transferred eligible assets. If one or more of the previously mentioned events occurs or notice(s) have been served the Company will be entitled to receive all proceeds in relation to the transferred assets, in order to fulfil its obligation under the issued guarantee; payment of interest and principal on the Retained Covered Bonds.

The Guarantee Support Agreement provides that the transfer of the mortgage loans will be effected through a silent assignment (stille cession) by Rabobank to the Company. This means that legal ownership of the mortgage loans will be transferred to the Company by registration of a duly executed deed of assignment with the Dutch Tax Authority (Belastingdienst), without notifying the debtors of such mortgage loans. If the guarantee is invoked, the mortgage borrowers will be notified to pay amounts directly to the Company and the Company will take over the management of the transferred portfolio in order to meet the guaranteed obligations through the interest and redemption income.

The guarantee will be invoked when:
- Rabobank defaults on any payments to be made under the Retained Covered Bond Programme;
- Rabobank fails duty to perform or comply any of its obligations under the transaction documentation;
Rabo Covered Bond Company 2 B.V.  
Annual Report 2019

- Rabobank takes any corporate actions or other steps are taken or legal proceedings are started or threatened against it for its dissolution, liquidation, or legal demerger or for its being converted in a foreign entity, or its assets are placed under administration;
- Rabobank has taken any corporate action or other steps are started or threatened against its entering into emergency regulation (noodregeling; sectie 3 Wft); or suspension of payments; or its bankruptcy; or its analogous insolvency; or the appointment of a liquidator;
- a Notice to pay is served on the Company, upon the notification of Rabobank that it has insufficient funds to pay the scheduled interest and or scheduled principal;
- an Issuer Acceleration Notice is served on Rabobank, upon the occurrence of the above described events.

Per December 31, 2019 the nominal value of the issued bonds amounted to EUR 10,001 million and the nominal value of the mortgage loans of which the legal ownership has been transferred, amounted up to EUR 10,700 million. The mortgage loans exceed the nominal value of the issued bonds. Periodically Rabobank performs an ‘asset cover test’ in order to ensure that the ratio of the transferred assets (mortgage loans) to the Retained Covered Bonds is maintained at a sufficient level.

The mortgages, of which the legal ownership of the Company is economically owned by Rabobank, will only be encumbered in collateral via a pledge list to the Company for the issued Retained Covered Bonds when the Retained Covered Bonds will be held as collateral for Central Bank Liquidity Facilities or be used as eligible ECB collateral.

Please find below an overview of the issued bonds outstanding as per December 31, 2019.

<table>
<thead>
<tr>
<th>ISIN</th>
<th>Currency</th>
<th>In currency of issuance</th>
<th>Date of issuance</th>
<th>Maturity Date</th>
<th>Long-term rating Moody's</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL0013771603</td>
<td>EUR</td>
<td>1,000,000</td>
<td>2-9-2019</td>
<td>2-9-2024</td>
<td>Aaa</td>
</tr>
<tr>
<td>NL0013908890</td>
<td>EUR</td>
<td>5,000,000,000</td>
<td>12-9-2019</td>
<td>12-9-2024</td>
<td>Aaa</td>
</tr>
<tr>
<td>NL0014075509</td>
<td>EUR</td>
<td>5,000,000,000</td>
<td>19-11-2019</td>
<td>19-11-2028</td>
<td>Aaa</td>
</tr>
</tbody>
</table>

The Company has granted a first ranking right of pledge over the transferred mortgage loans and beneficiary rights to the Trustee. The exercise of the pledge is subject to certain terms and conditions. Not meeting the Company’s obligations to certain secured parties, including the Retained Covered Bondholders, can lead to exercising the right of pledge by the Trustee.

Rabobank is appointed as CBC Administrator of the Company, being responsible for the financial administration, set up of the financial statements, cash management and the performance of the Investor reporting and execution of the periodic ACT.

Rabobank is appointed as the servicer in the transaction, being responsible for the servicing of the transferred Mortgage Loans.

2.4.3 Principal accounting policies

The principal accounting policies adopted in the preparation of the Company financial statements are set out below:

Basis of presentation

The principal accounting policies adopted in the presentation of these financial statements are outlined below and have been consistently applied to all the years presented.

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements are prepared under the historical cost convention and presented in the currency of the European Monetary Union, the euro (“EUR”).
Accounts receivables are recognized initially at fair value and subsequently measured at costs less any allowance for doubtful debts if deemed necessary.

The Company is considered a small entity for Dutch statutory reporting purposes. The financial statements are in accordance with the provisions of Article 396, Title 9 of Book 2 of the Dutch Civil Code, however no exemptions have been applied.

Going concern

The company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources and activities to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the Financial statements are prepared in the going concern basis.

Other receivables

Prepayments and other receivables are initially measured at fair value. After initial recognition prepayments and other receivables are measured at amortized cost.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Cash and cash equivalents are stated at nominal value.

Accrued expenses and other liabilities

Short-term borrowings are initially recognized at fair value, including transaction costs incurred. Short-term borrowings are subsequently stated at amortized cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest in the income statement over the period of the short-term borrowings using the effective interest method.

Revenue recognition

Interest income and other income are recognized in the income statement on an accruals basis. Operating expenses are accounted for in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

Operating expenses

Operating expenses are accounted for in the period in which these are incurred.

Statement of cash flows

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities. Payments of dividends are presented within the cash flows from financing activities. Transactions that do not include an exchange of cash and cash equivalents are not included in the cash flow statement.
Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions. Foreign exchange differences with regard to cash and cash equivalents are separately included in the cash flow statement.

**Currency**

The functional and reporting currency in the financial statements of the Company is Euro (EUR).

### 2.4.4 Corporate income tax

Tax on the result is calculated based on the result before tax in the income statement and exempt profit components and after the addition of non-deductible costs. Due account is also taken of charges which in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate. Permanent and temporary differences may exist between the net result as presented in these financial statements and the result for corporate income tax purposes. Therefore, the corporate income tax due for the year may differ from the theoretical amount that would arise applying the nominal tax rate applicable in the Netherlands to the net result as presented in these financial statements.

### 2.4.5 Use of estimates

The preparation of the financial statements may require management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.
2.5 Notes to the balance sheet and the profit and loss account

2.5.1 Receivables and prepayments

All prepayments and other receivables are due within a year.

31-12-2019

Reimbursed expenses 44,128

According to the Administration Agreement with Rabobank, the Company will be reimbursed for its expenses.

2.5.2 Cash and cash equivalents

Cash and cash equivalents are valued at nominal value and insofar as not stated otherwise, are at the free disposal of the Company. Cash and cash equivalents relate to immediately due and payable withdrawal claims against credit institutions and cash resources.

2.5.3 Shareholder's equity

Share capital

The authorised share capital amounts to EUR 1, divided into 1 ordinary share, with a nominal value of EUR 1. All shares have been issued and paid up in full.

\[
\begin{array}{ccc}
\text{In EUR} & \text{Share Capital} & \text{Other Reserves} & \text{Total equity} \\
\hline
\text{Paid in capital} & 1 & 0 & 1 \\
\text{Dividend paid} & 0 & 0 & 0 \\
\text{Result for the year} & 0 & 8,100 & 8,100 \\
\text{Closing balance} & 1 & 8,100 & 8,101 \\
\end{array}
\]

2.5.4 Accrued expenses and other liabilities

31-12-2019

Accrued expenses and other liabilities 34,126

Accrued expenses and other liabilities are due within a year. As part of the Administration agreement all income and expenses are settled with Rabobank.

All current liabilities have a maturity of less than one year.
2.5.5 Tax liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>April 25, 2019 – December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate income tax current period</td>
<td>1,900</td>
</tr>
</tbody>
</table>

The Company does have the purpose to create taxable income. Therefore, EUR 1,900 of Corporate Income Tax is shown in the profit and loss account.

The effective tax rate of the corporate income tax is 19% per 2019 in the Netherlands for profits up to and including EUR 200,000.

2.5.6 Interest income

Interest income relates to interest received/paid on cash and bank balances.

2.5.7 Other income

<table>
<thead>
<tr>
<th>Description</th>
<th>April 25, 2019 – December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charged to Rabobank</td>
<td>45,387</td>
</tr>
</tbody>
</table>

As part of the Trust deed all expenses are charged and settled with Rabobank. The other income is the recharge of the expenses towards Rabobank.

2.5.8 Operating expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>April 25, 2019 – December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management fee</td>
<td>12,872</td>
</tr>
<tr>
<td>Independent auditor’s fee</td>
<td>12,100</td>
</tr>
<tr>
<td>Other</td>
<td>10,415</td>
</tr>
</tbody>
</table>

Proposed appropriation

The net result for the year period April 25, 2019 - December 31, 2019 amounted to EUR 8,100. Management proposes to add the result of the year under review amounting EUR 8,100 to the retained earnings.
Fees of the independent auditor

With reference to Section 2:382a(1) and (2) of the Dutch Civil Code, the following fees for the financial year have been charged by PricewaterhouseCoopers Accountants N.V. (‘PwC’) to the Company:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>12-12-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory audit of annual accounts</td>
<td>12,100</td>
</tr>
</tbody>
</table>

There are no other services provided by PwC

2.5.9 Contingent liabilities and commitments

The Company has granted a first ranking right of pledge over the transferred mortgage loans and beneficiary rights to the Trustee.

The exercise of the pledge is subject to certain terms and conditions. Not meeting the Company’s obligations to certain secured parties, including the Retained Covered Bondholders, can lead to exercising the right of pledge by the Trustee. In order for the Company to issue the related guarantee Rabobank transferred in 2019 through a silent assignment, assets - mortgage loans – in a net amount of EUR 10,700 million. Mortgage loans remain on Rabobank’s balance sheet for accounting purposes since the mortgage loans are economically owned by Rabobank but given as collateral to the Company.

2.5.10 Employees and remuneration directors

During the year under review the Company did not employ any personnel. The Company has zero employees working outside The Netherlands. The Board of Directors consists of one corporate director; the remuneration of the Director is included in the management fee as disclosed under Operating expenses, above and amounts EUR 12,872. The Company does not have a Board of Supervisory Directors.

2.5.11 Related party transactions

Transactions with related parties include relationships between the Company, the Company’s participating interests and the Company’s directors and executive officers (key management personnel).

There were no transactions with related parties that were not on a commercial basis.

Apart from the transactions already disclosed in the notes to the financial statements and the notes to the balance sheet and the statement of income, the Company did not enter into other transactions with related parties. As part of the Trust Deed all cash transactions within the Company are performed by Rabobank and is therefore identified as a related party.

2.5.12 Post-balance sheet events

In first few months of 2020 up to the date of these financial statements Rabobank issued one additional serie of Bonds for a total nominal value of EUR 5,000 million resulting in a total outstanding amount of EUR 15,001 million as per March 31, 2020. In order for the Company to issue the related guarantee Rabobank transferred through silent assignment additional assets - mortgage loans - resulting in a total net amount outstanding as per March 31, 2020 of EUR 16,000 million. Management is not aware of any further events that took place after balance sheet date that could have a major effect on the financial position of the Company.

The COVID-19 crisis is not expected to create uncertainty about the company’s ability to continue operating, and to date we have not experienced a significant impact from COVID-19. The outbreak of COVID-19 will have some impact, but we do not expect any major consequences, in terms of future
performance, asset valuation, or activities of the company in general. There may arise two main risks for the company, which we expect to mitigate. First, Rabobank is offering a payment holiday for customers with temporary payment problems. New repayment schedules will be agreed with the client, in order to prevent these clients from being in arrears. This will potentially decrease the amount of eligible assets if clients are not able to meet the new agreed repayment schedule after the payment holiday period ends and will end-up in arrears. However, the Company has enough assets in place to substitute these assets. Second, a possible drop in house prices, as a consequence of the COVID-19 crisis, can lead to an increase in the ratio of loans to value of the underlying assets. The company can mitigate this risk by over-collateralization, adding additional collateral to the pool. At this time, however, it is difficult to say whether house prices will actually fall in the near future. The economic damage caused by the corona virus and thus the potential impact on the housing market strongly depends on the duration of the restrictions and the effectiveness of the financial support measures provided by government and banks.

Amsterdam, 1 May 2020.

Managing director,
Intertrust Management B.V.
3 Other Information

3.1 Appropriation of result

Statutory provisions

In accordance with Article 21 of the Articles of Association, the result for the year is at the disposal of the General Meeting of Shareholders.

The general meeting is subsequently authorized to resolve to distribute or to reserve what then remains of the profits or a part thereof. The general meeting is also authorized to resolve to make interim distributions, which includes distributions from the reserves.

The Company may make distributions to the shareholders only to the extent that from the most recently adopted balance sheet it appears that the Company's shareholders’ equity exceeds the reserves that must be maintained by law.

The Company may only follow a resolution of the general meeting to distribute after the management board has given its approval to do this. The management board withholds approval only if it knows or reasonably should be able to foresee that the Company cannot continue to pay its due debts after the distribution.

3.2 Independent auditor’s report

The independent auditor’s report is included on the next page.